

Agency: Commerce, Community and Economic Development**Grants to Named Recipients (AS 37.05.316)****Grant Recipient: Haines Assisted Living Inc****Federal Tax ID: 20-5805082****Project Title:****Project Type:** Remodel, Reconstruction and Upgrades

Haines Assisted Living, Inc. - Retaining Wall, Drainage and Pavement Construction

State Funding Requested: \$325,000**House District: 5 / C**

One-Time Need

Brief Project Description:

Construct a retaining wall, add storm drainage and pave the parking lot and alley.

Funding Plan:**Total Cost of Project: \$5,668,951**

	<u>Funding Secured</u>		<u>Other Pending Requests</u>		<u>Anticipated Future Need</u>	
	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>
Federal Funds	\$1,020,000					
State Funds	\$850,000				\$325,000	
Denali Commission	\$2,163,000					
Rasmuson Foundation	\$550,000					
Local Funds	\$616,494					
Other Funds	\$50,000					
Total	\$5,249,494				\$325,000	

*Explanation of Other Funds:**Alaska Mental Health Trust***Detailed Project Description and Justification:**

Phase I, a 8 unit senior assisted living facility has been completed and operation began October 2009, Phase II, a 5 unit extension of the existing Phase I facility has funding from the federal government HUD 202 program (\$1,020,000). Construction for Phase II will begin April 2010 and this funding is required to assist low income seniors.

A retaining wall along the east wing needs to be constructed to ensure no upland property owners are affected. The roof catches an abundance of water and a drainage system is necessary to divert the water away from the building and wall and into the borough storm sewer system which is one block away. Paving will assist with the water run off and allow for less mud and dirt being brought into the building.

The total cost of this project is \$5,574,494. By adding the drainage system, wall and pavement it will assist in the long term preservation of the facility and assist with lower operations cost by the reduction of maintenance expenses.

Project Timeline:

July of 2010

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Haines Assisted Living Inc

Grant Recipient Contact Information:

Name:	Vincent Hansen
Address:	219 Union Haines, AK 99827
Phone Number:	766-3616
Email:	jim@hainesrealestate.com

Has this project been through a public review process at the local level and is it a community priority? ☒ Yes ☐ No

Synopsis for Haines Assisted Living Inc. CIP Request

Haines Assisted Living is a nonprofit organized in Haines with a mission of keeping seniors in their community.

The Chilkat Valley has a population of nearly 2,400 people with a median age being 40 years old. This relatively older community has worked to preserve their future at home.

In many rural areas, people are forced to leave their homes and live hundreds of miles away from their families and friends simply because they are at an age where they need varying degrees of assistance with daily tasks.

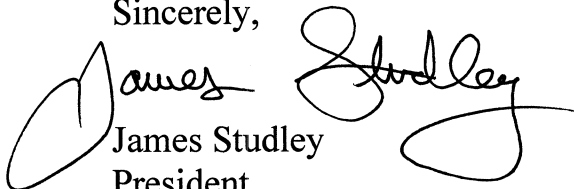
Haines Assisted Living Inc. constructed a senior assisted living facility, which is state of the art construction and has the LEED certification for efficiency. This operation ensures that a portion of the Chilkat Valley's older population can stay in their community as long as possible.

The project has two phases with the first phase (8 units) completed October 2009 at an expense of \$4,323.951.

Phase II (5 units) will begin construction this spring. All funding has been acquired to complete this building process for the 5 additional housing units, which are for low-income seniors (\$1,020,000).

We have borrowed no money and have no mortgage thus keeping the cost relatively low to our beneficiaries but we do need additional funding for paving, drainage and a retaining wall. We respectfully request \$325,000.

Sincerely,


James Studley
President
Haines Assisted Living Inc.

Haines Assisted Living, Inc.

P.O. Box 916 Haines, Alaska 99827
Ph: (907) 766-3616 Fax: (907) 766-3617
halincn@aptalaska.net

February 9, 2010

Governor Sean Parnell
State of Alaska
Legislative Body

Attention:
Senator Albert Kookesh
Representative Bill Thomas

Re: Capital Improvement Request for Haines Assisted Living Inc.

Honorable Ladies and Gentleman,

I know that many of you have followed with interest the development of the Haines Assisted Living (HAL) project over the last several years. This unique, innovative facility, eight years in planning and development, opened October 2009. Many milestones have been set and passed over that time. The project stands as a testimony to the initiative and commitment of a local Board of Directors remarkable for their diverse skills, talents and experience as well as the support received from individuals and organizations across the State of Alaska.

The facility itself will be the first of its kind in Alaska to earn the coveted Leadership in Energy and Environmental Design Certification from the U.S. Green Building Council. It is the first to bring the nationally recognized Elite Care® elder care system to our state. Sustainability, operational efficiency, resident comfort, security and affordability have been the guiding principles of construction. Its location in the heart of Haines, offers residents and their families both convenience and breathtaking southeast vistas. The \$5.7 million development and construction budget is funded by local donors, the Haines Borough, AHFC, the CDBG program, the Denali Commission, the Rasmuson Foundation and (with the recent addition of St. Lucy's Senior Living) the U.S. Department of Housing and Urban Development.

HAL is much more than a physical asset. It is a resource. It is a long-term community commitment. It is an action plan for the future.

HAL goals are consistent with, and complimentary to those described in *Moving Forward*, The Comprehensive Integrated Mental Health Plan, we believe there is

an opportunity for the State of Alaska and HAL to continue our collaborate efforts by leveraging resources to better meet those goals for the state, especially with our elderly Beneficiaries.

Over the last decade, HAL has identified and responded to the following assisted living issues:

*Affordability,
Local Community Commitment and Support,
Family vs. Institution model,
Care and Management Technology,
Universal Design,
Mixed Income Community,
Special Needs for Dementia and Alzheimer's Disease,
and Aging in Place.*

Goals we share with the state include **quality community-based housing** for beneficiaries in **their home town**; **enhancing their quality of life and maintaining their dignity** through appropriate services, **protecting them from neglect or abuse**, and ensuring their **economic and health-care security** as they age in place.

The Rasmuson Foundation, a major donor to the HAL project, has demonstrated its confidence in our approach by asking us to draft a "Continuum of Senior Care" assessment for the community of Haines.

There are a few components of the project that are not yet complete, specifically Phase II. An unanticipated need to construct a more extensive site drainage system and engineering costs for our recently awarded U.S. HUD "202" grant (St. Lucy's Senior Living) has left us short of funds.

We would like the State of Alaska to consider funding the following unmet needs of the HAL project. Estimates are based on vendor information requests:

Haines Assisted Living, Phase II

Retaining Wall. Uplands property owners have expressed concerns over erosion and as the down hill property owner we feel responsible to address this need so it is never a concern to the beneficiaries or the adjoining property owners.

\$70,000

Drainage and Storm Sewer . Building and grounds are integrated in design to accommodate "purposeful wandering" of those residents who experience dementia and Alzheimer's Disease. Excess water from the roof has to be drained away from the buildings east wing to protect residents and property.

\$135,000

Paving, Drives, Alley and Parking. Maintenance of the facility and efficiency of snow and ice removal require paving of all drive and parking areas. Residents, families and visitors will be assured safe all weather access to the building.

\$120,000

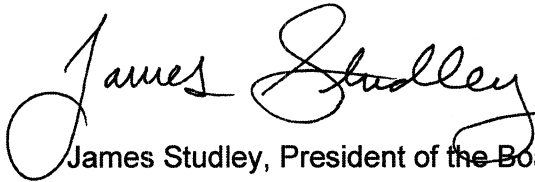
Total Request

\$325,500

Haines Assisted Living and St. Lucy's Senior Living development and construction cost= \$5,702,900.

It is our hope that the State of Alaska will be able to help us continue our successful project. If I can provide any further information, please contact me at (907) 766-3510 or (907) 723-1599. Or, you may contact Vince Hansen at the numbers provided above.

Sincerely



James Studley, President of the Board of Directors

Endorsed and Supported by:

Haines Borough

Senator Albert Kookesh

Representative Bill Thomas

Haines Chamber of Commerce

Chilkoot Indian Association

Chilkat Indian Village

Klukwan Village Council

Bishop Michael Warfel

Haines Woman's Club

General Federation of Women's Clubs of Alaska

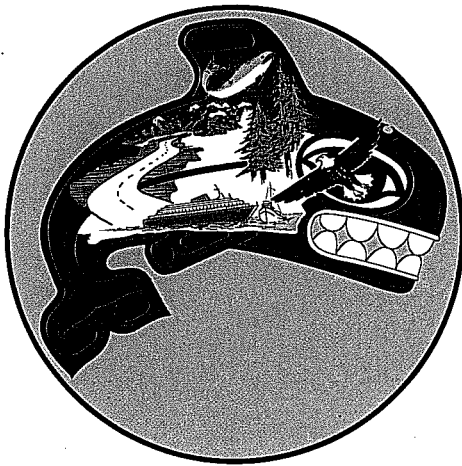
Southeast Regional Health Consortium

Catholic Community Services

St. Vincent de Paul Society

Hospice of Haines

Haines Senior Citizen's Center



HAINES BOROUGH, ALASKA

P.O. BOX 1209 • HAINES, ALASKA 99827

Administration 907.766.2231 • (fax) 907.766.2716

Tourism 907.766.2234 • (fax) 907.766.3155

Police Dept. 907.766.2121 • (fax) 907.766.2128

Fire Dept. 907.766.2155 • (fax) 907.766.3373

February 9, 2010

Representative William Thomas

State Capitol, Room 434

Juneau, AK 99801

Re: Haines Assisted Living Legislative Appropriation Request

Dear Representative Thomas:

I write today in support of the Haines Assisted Living funding request.

For more than seven years, a committed group of Haines citizens has worked diligently to develop and fund the construction of the Haines Assisted Living facility. With the support of Alaska Housing Finance Corporation, the Denali Commission, the Alaska Department of Commerce and Community Economic Development, the Rasmuson Foundation and our generous community, the project was completed in the fall of 2009.

Haines Assisted Living is continuing on in its vision by expanding and developing additional units for this senior assisted living facility. Your support for this funding request will allow elders in need of assisted living or extended care facilities stay at home in our community.

I urge you to favorably consider Haines Assisted Living's request for funding through the legislative appropriation process.

Sincerely,

Jan Hill
Jan Hill
Mayor

Independent Auditors' Report
Of
Final Cost Certification

Owner's Name: Haines Assisted Living, Inc.
Owner's Address: PO Box 916
Haines, Alaska 99827

Owner's EIN#: 20-5805082

Project Name: Haines Assisted Living
Project Address: PO Box 916
Haines, Alaska 99827

Grant Number: Alaska Housing Finance Corporation Denali Grant #GOL-08-HAL-1
Alaska Department of Commerce, Community and Economic
Development CDBG Grant #881445
Rasmuson Foundation Grant #4136

We have audited the costs included in the accompanying Alaska Housing Finance Corporation (AHFC) Project Development Cost Summary Form (the "Final Cost Certification") of Haines Assisted Living, Inc. (the "Owner") for Haines Assisted Living ("the Project") as of December 31, 2009. The Final Cost Certification is the responsibility of the Owner and the Owner's management. Our responsibility is to express an opinion on the Final Cost Certification based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Final Cost Certification is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Final Cost Certification. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Final Cost Certification presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Final Cost Certification was prepared in conformity with the accounting practices prescribed by the Internal Revenue Service, under the accrual method of accounting, and in conformity with the format and rules set by Alaska Housing Finance Corporation (AHFC), which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion the Final Cost Certification presents fairly, in all material respects, the actual costs of \$4,328,131 of the Owner for the Project as of December 31, 2009, on the basis of accounting described above.

This report is intended solely for the information and use of the Owner and the Owner's management and for filing with AHFC and should not be used for any other purpose. We have no financial interest in the Project other than in the practice of our profession.

Notes to
Final Cost Certification

NOTE 1 – COST SHARING

The contract signed between Haines Assisted Living and Dawson Construction was guaranteed maximum price contract; however the contract stipulated that if the sum of the cost of the work and contractor's fee was less than the guaranteed maximum price, then the owner and the contractor shall share the saving based upon 60% to the owner and 40% to the contractor. The sum of the cost of the work and contractor's fee was \$107,232 less than the guaranteed maximum price so as a result the contractor will be paid \$42,893. This amount was classified as additional new building costs.

NOTE 2 - CONSULTANT COSTS

Name of Consultant	Type of Service	Amount	Identity of Interests
Austin Editorial Services	Developer Services	\$184,614	Related Party - Dan Austin is the sole owner of Austin Editorial Services. Dan Austin is the General Manager of St. Vincent de Paul Society. St. Lucy's Conference of the St. Vincent de Paul Society was the owner of Haines Assisted Living in 2006.
Vince Hansen	Developer Services	25,417	Related Party – Vince Hansen is the Administrator of Haines Assisted Living and was previously on the Board of Directors of Haines Assisted Living
Martin Studley	LEEDs and program consultation	\$13,250	Related Party -Martin Studley is the brother of James Studley who is a board member of Haines Assisted Living Inc.
James McConnell & Associates	Business Plan	\$21,037	No Related Party Interest
Anderson Enterprises	Assisted Living Management Plan document	\$15,681	No Related Party Interest

PROJECT DEVELOPMENT COST SUMMARY FORM				
All projects costs (including utility and road access costs) must be stated.				
Item	Total Project Cost	Funded with Denali Funds	Funded with CDBG Funds	Funded with other Funds
Acquisition of Land & Buildings:				
Land Acquisition Costs (donated)	\$ 288,800			\$ 288,800
Demolition Costs/Other Costs Attributable to Land (services in-kind)	29,300			29,300
Building Acquisition Costs				
Other:				
Subtotal-Acquisition of Land & Buildings	318,100			318,100
Construction/Rehabilitation Costs:				
New Building Costs	2,395,018	\$ 1,307,960	\$ 557,854	529,204
Rehabilitation Costs				
Site Work	211,000	78,000		133,000
Off-Site Improvements				
Impact Fees				
Utility Connections	21,930	21,930		
Construction/Rehabilitation Costs:	2,627,948	1,407,890	557,854	662,204
General Requirements (see Program Guide for limits)	189,843	136,038	53,805	-
Other: Inspection Fees				-
Contractor Overhead	202,350	180,000	22,350	-
Contractor Fee (See Program Guide for limits)				
Construction Contingency				
Subtotal-Construction/Rehabilitation Costs (C/R Cost)	3,020,141	1,723,928	634,009	662,204
Construction Financing Costs:				
Construction Insurance				
Construction Loan Interest (% , Avg Loan Amt \$, Term Mo's)				
Construction Loan Origination Fee				
Property Taxes During Construction				
Other:				
Subtotal-Construction Financing Costs				
Related Soft Costs - General:				
Architectural Design Fees	370,744	63,000	200,725	107,019
Property Conditions Report				
Architectural Supervision (if applicable)				
Engineering Fees	12,619			12,619
Engineering Supervision (if applicable)				
Survey	2,100			2,100
Appraisal Fee(s)				
Environmental Report	10,408			10,408
Soils Report	8,727			8,727
Market Study	2,600			2,600
Independent Cost Estimate Fees				
Project Audit Fee	28,000	28,000		
Legal Fees	2,933	118		2,816
Tax Credit Fees				
For Homeownership Projects: Initial Home Marketing				
Cost of Providing Affirmative Marketing & Fair Housing Info. to Tenants/Homebuyers				
Relocation Payments & Assistance Costs	1,450			1,450
Rent-Up Reserves (from rentup reserve schedule)	43,523	43,523		
Operating Reserves	234,682	234,432		250
Other: Assisted Living Business Plan--Consultants	40,601			40,601
Subtotal-Related Soft Costs/General	758,387	369,073	200,725	188,590
Syndication Costs: (Related to Sale of LIHTC's)				
Partnership Organization Costs				
Bridge Loan Fees and Expenses				
Tax Attorney Fees				
Legal Fees				
Consultant Fees				
Other:				
Subtotal-Syndication Costs				
Developer Costs:				
Developer's Fee/Overhead (see Program Guide for limits)	231,503	70,000	15,266	146,237
Subtotal-Developer Costs	231,503	70,000	15,266	146,237
TOTAL PROJECT COST (TPC)	\$ 4,328,131	\$ 2,163,000	\$ 850,000	\$ 1,315,131

Sources of Funds

State of Alaska	Community Development Block Grant	\$850,000
Rasmuson Foundation	Grant	550,000
Alaska Housing Finance Commission	Denali Commission Elder Housing Grant	2,163,000
Southeast Road Builders Inc.	Donated Labor	29,300
Hospice of Haines	Donated Land and Building	288,800
Haines Borough	CIP 07/80	54,700
AHFC	SNHG Pre-Development Grant	94,457
Alaska Mental Health Trust	Partnership Grant	50,000
Other	Community Capital Campaign/in-kind	243,694
Total		\$4,323,951







**U.S. Department of Housing and Urban Development
Office of Multifamily Housing
Region X Multifamily HUB**

January 26, 2009

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

**Dan Austin
Haines Assisted Living, Inc.
P.O. Box 916
Haines, AK 99827**

Dear Mr. Austin:

SUBJECT: Section 202 Supportive Housing for the Elderly Agreement

**Fiscal Year: 2008
Project Name: St. Lucy's Senior Living
City and State: Haines, AK
Project No.: 176-EE042
PRAC No.: AK06S081002
No. of Units: 5 No. of Residents: 5**

I am pleased to advise you that your application to construct **5 units** of housing for the elderly under the Section 202 Supportive Housing Program for the Elderly has been approved.

Capital Advance authority in the amount of **\$1,002,900** is available for this project, along with Project Rental Assistance contract and budget authority of **\$34,000** and **\$102,000**, respectively.

In accordance with the provisions of the Consolidated Appropriations Act, 2008 (Pub. L. 110-161; approved December 26, 2007) the amount of the Project Rental Assistance made available for this project is based on 75 percent (rather than on 100 percent) of the current operating cost standards applicable to Section 202 projects in Haines, Alaska. This takes into account the average tenant contribution toward rent. In addition, the term of the Project Rental Assistance Contract is 3 (three) years.

Section 202 Capital Advance Funds and Project Rental Assistance Contract Funds will be obligated for your project upon your signing of this Agreement and returning it to this Office so that it can be executed by the Assistant Secretary for Housing. The signature of the Assistant Secretary for Housing constitutes the obligation of funds. As with all programs, these funds are subject to the availability of appropriations.

The Consolidated Appropriations Act, 2008 requires HUD to obligate all Section 202 funds appropriated for FY 2008 by September 30, 2011. Once signed by you and co-signed by the Assistant Secretary for Housing, this Agreement will constitute an

obligation on the part of the Federal government, contingent upon the terms and conditions herein. **In addition, pursuant to 31 U.S.C. Section 1551, any funds (capital advance and PRAC) not disbursed (obligated or unobligated) by September 30, 2016, will be recaptured.**

Please indicate by signing in the space provided whether or not you accept this Agreement including the special conditions or requirements that are specified herein, and certify to your understanding that the project must be developed in accordance with the terms set forth in this Agreement. **Return by Certified Mail - Return Receipt Requested, two signed copies of this Agreement, along with the resume for the consultant (if a consultant has been or will be used) to this Office within 14 days from the date of this letter. If a consultant has been or will be used, the consultant must submit its Previous Participation Certification (Form HUD-2530) within 14 days from the date of this letter.** If the Sponsor will be the consultant, the submission of these documents on the consultant may be deferred until after formation of the Owner corporation but no later than 90 days from the date of this document. If such is the case, the consultant's resume must be submitted to this Office and the Form HUD-2530 filed immediately upon completion of the contractual arrangements. If filing Form HUD-2530 electronically, information on the APPS registration and filing process is found at HUD's web site at <http://www.hud.gov/offices/hsg/mfh/apps/appsmfhm.cfm>. Please advise this Office whether or not a consultant has been or will be used and the type of consultant by completing the following:

- ☐ Sponsor/Consultant
- ☐ Independent Professional Consultant
- ☐ No Consultant has been or will be used

TERMS AND CONDITIONS

Your acceptance of this Agreement constitutes a certification and agreement by the Sponsor that:

- (1) There will not be made any sale, assignment, conveyance, or any other form of transfer of this Agreement, funding, the property or project, or any interest therein, except a transfer from the Sponsor to an approved single-purpose Owner organized by it.
- (2) The Agreement and fund reservation will be canceled if construction, rehabilitation or acquisition has not commenced within **18 months** from the date of this Agreement, unless limited extensions, of up to 24 months, are approved by HUD. Such extensions will be based upon HUD's determination that the Owner has established a reasonable schedule and is making sufficient progress toward the start of construction.

- (3) The Section 202 Capital Advance and Project Rental Assistance Contract funds available for the project identified herein may not be used in connection with any other project.
- (4) This Agreement and fund reservation will be subject to cancellation, at HUD's option, in the event there comes into existence or HUD becomes aware of a pre-existing conflict of interest involving the project on the part of officers or directors of either the Sponsor or Owner organization (including affiliates).
- (5) An attempt will be made to obtain exemption from State and/or local real and/or personal property taxes. Evidence of filing, together with the response received from the taxing authority, must be submitted with the Application for Firm Commitment in one of the following forms:

- (a) Tax exemption
- (b) Tax abatement
- (c) Payment in Lieu of Taxes (PILOT)
- (d) Ineligibility for any tax relief

Eligibility for (a), (b), or (c) must be supported by a copy of the appropriate legislation or ordinance.

- (6) HUD will **not** amend the amounts approved herein for this project **before** initial closing has occurred. **Therefore, based on HUD's review of the Firm Commitment Application, the Sponsor will be liable for the cost of any front-end cash requirement should the cost to develop the project exceed the amount specified in this Agreement.** After initial closing, HUD may consider an amendment to the Agreement, if necessary, but only for increases resulting from approved change order items during construction, subject to the availability of funds.
- (7) Special Conditions or Requirements - This Agreement is issued subject to:
 - a. Formation of a legally acceptable single-purpose Owner corporation within **30 days** from the date of this document.
 - b. Capitalization of the Owner corporation in a sufficient amount to permit the Owner to meet its obligations in connection with the project. This includes the minimum capital investment, start-up costs, excess land costs, ineligible amenities, excessive construction costs and any other funds the Sponsor specifically commits to the project.
 - c. Evidence that the site is under the **Owner's control** at the time the Application for Firm Commitment is submitted.

- d. Form HUD-2530, Previous Participation Certification is to be submitted for all officers and directors of the Sponsor's and Owner's board within **90 days** and there must be subsequent clearance thereof.
- e. Credit investigation clearance of the Owner's officers.
- f. Submission of an Application for Firm Commitment in full compliance with HUD's design and cost standards and programmatic requirements within **180 days** from the date of this Agreement. The design and cost standards apply to all projects regardless of the proposed operating cost level. The design must not include any prohibited features and must be cost efficient.
- g. Submission of Conflict of Interest and Disclosure Certifications for **each** officer and director of both the Sponsor and Owner and Identity of Interest and Disclosure Certifications for all development team members. NOTE: At any time a new development team member is added or changed, an Identity of Interest Certification must be submitted. Likewise, at any time the Sponsor or Owner changes any officers or directors, a Conflict of Interest and Disclosure Certification must be submitted for the new person(s).
- h. Submission of the land appraisal within **30 days** from the date of this Agreement.
- i. If the site is subject to leasehold, the lease must conform to the wording of the Lease Addendum – Section 202 as contained in Appendix 14 of the Section 202 Handbook 4571.5. If approved, by this office, the terms of the Lease Addendum may be varied only to conform to the law of the jurisdiction in which the project is located.
- j. You are required to comply with the Department's policy with respect to salary limitations for consultants. If a consultant will be used for your project, you must ensure that the maximum salary payable to the consultant will not exceed the equivalent of General Schedule 15, Step 10 base pay rate for which the annual rate for FY2008 is \$124,010 and an hourly rate of \$59.42.
- k. You are required to provide a drug-free workplace. Compliance with this requirement means that you will:
 - 1) Publish a statement, notifying employees that it is unlawful to manufacture, distribute, dispense, possess or use a controlled substance in the applicant's workplace and that such activities are prohibited. The statement must specify the actions that will be taken against employees for violation of this prohibition. The statement must also notify employees that as a condition of employment under the federal award that they are

required to abide by the terms of the statement and each employee must agree to notify the employer in writing of any violation of a criminal drug statute occurring in the workplace no later than five calendar days after such violation;

- 2) Establish an on-going drug-free awareness program to inform employees about:
 - a) The dangers of drug abuse in the workplace;
 - b) The applicant's policy of maintaining a drug-free workplace;
 - c) Any available drug counseling, rehabilitation, or employee maintenance programs; and
 - d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- 3) Notify the federal agency in writing within 10 calendar days after receiving notice from an employee of a drug abuse conviction or otherwise receiving actual notice of a drug abuse conviction. The notification must be provided in writing to HUD's Office of Departmental Grants Management and Oversight, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 3156, Washington, DC 20410-3000, along with the following information:
 - a) The program title and award number for each HUD award covered;
 - b) The HUD staff contact name, phone and fax numbers; and
 - c) A grantee contact name, phone and fax numbers.
- 4) Require that each employee engaged in the performance of the federally funded award be given a copy of the drug-free workplace statement required in item (1) and notify the employee that one of the following actions will be taken against the employee within 30 calendar days of receiving notice of any drug abuse conviction:
 - a) Institution of a personnel action against the employee, up to and including termination consistent with requirements of the Rehabilitation Act of 1973, as amended; or
 - b) Requiring that the employee participate satisfactorily in drug abuse assistance or rehabilitation program approved for such purposes by a federal, state or local health, law enforcement or other appropriate agency.
1. In accordance with 24 CFR part 24, no award of federal funds may be made to applicants that are presently debarred or suspended, or proposed to be debarred or suspended, from doing business with the federal government.

This requirement applies not only to you, as the Sponsor, and the Owner, when formed, but also to all lower tier covered transactions and to all solicitations for lower tier covered transactions. The prohibition includes the following:

- 1) Having principals who, within the previous three years, have been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction, violation of federal or state anti-trust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; and
 - 2) Charges or indictments against the Sponsor, Owner and their principals by a governmental entity (federal, state and local) for commission of any of the above violations within the previous three years.
- m. You, as the Sponsor, and the Owner, when formed, are subject to the provisions of Section 319 of Public Law 101-121 (approved October 23, 1989) (31 U.S.C. 1352) (the Byrd Amendment), which prohibits recipients of federal contracts, grants, or loans from using appropriated funds for lobbying the executive or legislative branches of the federal government in connection with a specific contract, grant, or loan. In addition, the Owner, when formed, must disclose, using Standard Form LLL "Disclosure of Lobbying Activities," any funds, other than federally appropriated funds, that will be or have been used to influence federal employees, Members of Congress, and congressional staff regarding specific grants or contracts.
- n. You, as the Sponsor will work with HUD, at the Project Planning Conference, to finalize the services or activities (Outputs) and the Outcomes in association with this Logic Model and the development timeline. The Logic Model will be developed and reported on in separate stages.
1. You (and the Owner when formed) are required to report annually on the measures achieved in developing the project based on the final Program Outcome Logic Model.
 - (a) The final reporting requirement for the Logic Model requires the Owner to use the Total worksheet to document the activities and outcomes as well as the associated measures that have occurred during the period of performance.
 - (b) Also, at the time of the final report, the Owner is required to respond

to each of the program management evaluation questions.

2. The second stage requires the Owner to document the services/activities made available to the residents and the expected outcomes and measures of such services. The form HUD-96010, Logic Model is to be submitted beginning one year after the date of the final Logic Model submission required in stage one. The Logic Model reporting requirement ends at the conclusion of the mortgage.
 3. Your Logic Model performance reports, showing the projected outputs and outcomes, will be posted on HUD's Grants Performance web page as received by HUD.
- o. You are required to report annually, using form HUD-60002 or HUD's online system at: <http://www.hud.gov/offices/fheo/section3/section3.cfm>, on carrying out your Section 3 requirements (see the section 3 regulations at 24 CFR part 135, subpart E),
- p. Other Conditions, if any (listed below):
1. Under the Uniform Relocation Act any displaced persons must be notified they are eligible for assistance. The resident(s) of the building on the property must be notified in writing that he or she qualifies for assistance under the act as displaced person(s). Prior to issuing the Firm Commitment, a copy of the notice sent to the resident(s) informing he or she of this eligibility for assistance and the resident's acceptance or refusal of this assistance in writing must be submitted with the Firm Application. The estimated amount of this relocation expense needs to be calculated according to the act and submitted as an exhibit in the Firm Application.
 2. HUD encourages owners to utilize energy saving devices including Energy Star construction standards and appliances. Because Energy Star products use less energy, save money, and help protect the environment, we ask that you have the developer explore such energy-saving methods and devices in their final plans, specifications and lists of repairs. Additional information on the Energy Star program and related products can be found at <http://energystar.gov/>.

To provide you and your architect with assistance in the development of a project which meets HUD's design and cost standards, immediately contact Karen Falvey, HUD's design representative, at (208)334-1088 extension 3020 to discuss the design of the project.

In addition, HUD has developed revised procedures applicable to the submission, review and processing of Section 202 Applications for Firm Commitment through Final Closing. We have enclosed a copy of Notice H 96-102 which outlines Section 202 program changes. Please read the Notice very carefully because the revised procedures will affect not only your project funding but also your responsibilities for project completion.

If two copies of this Agreement indicating acceptance are not returned within 14 days of the date of this Agreement, or if you accept and your single-purpose Owner fails to submit an Application for Firm Commitment within the specified period, HUD may cancel this Agreement and the fund reservation.

If you have any questions regarding the requirements for submission of the Application for Firm Commitment and to obtain information about your required attendance at the Office's Project Planning Conference, please call Maiea Sellers, Project Manager, at (206)220-5215.

We look forward to working with you toward the successful completion of this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Renee D. Greenman". The signature is fluid and cursive, with the first name "Renee" being more prominent.

Renee' D. Greenman

Director

Seattle Multifamily HUB

Enclosures

ACCEPT:

James M. Studley
Signature of Authorized Officer

DO NOT ACCEPT:

Signature of Authorized Officer

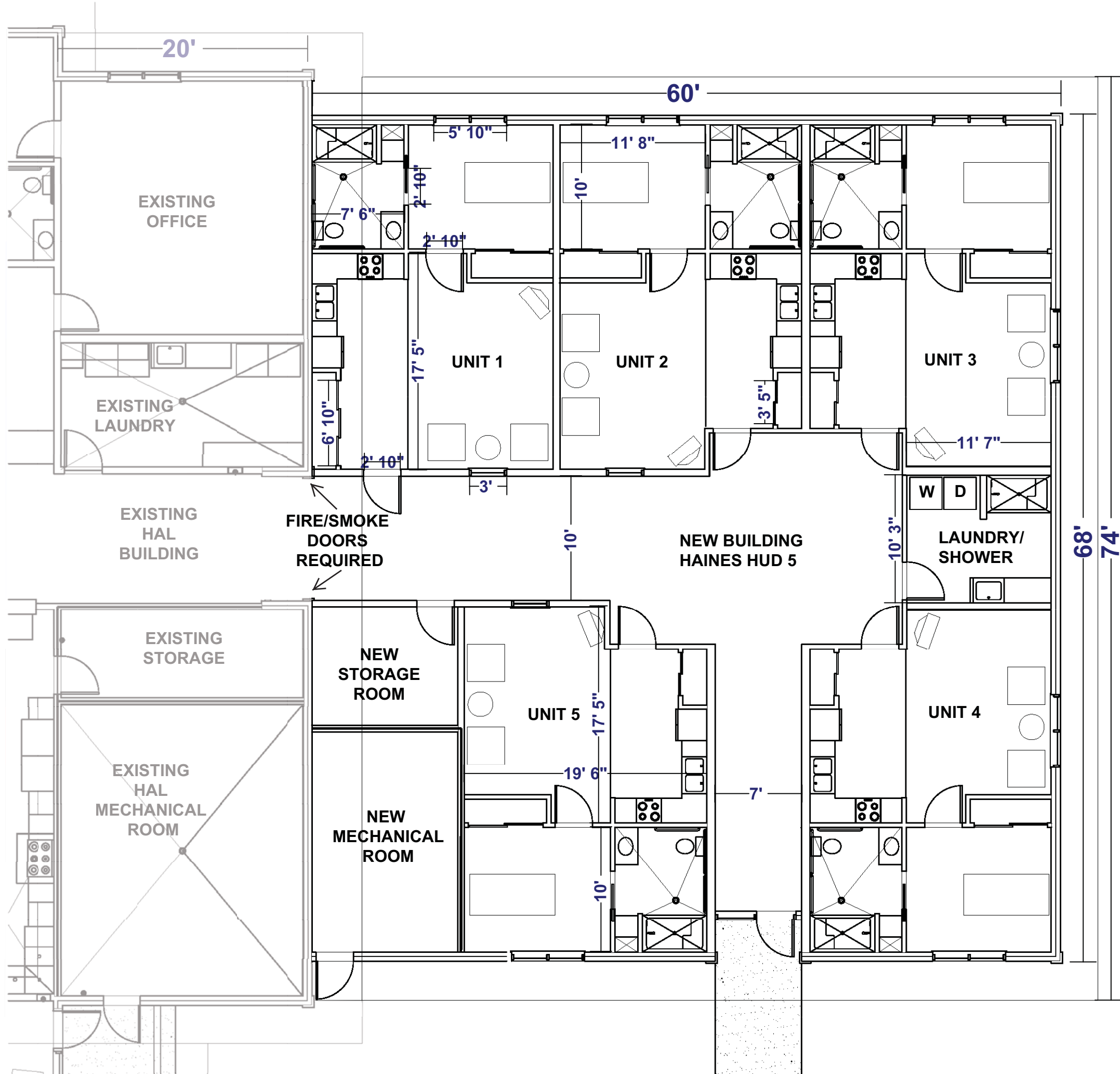
Title: President

Date: 2/9/09

Obligation of Funds:

Assistant Secretary for Housing
-Federal Housing Commissioner

Date



SCALE
1/8" = 1' 0"

NORTH
⊕